Government of Saskatchewan

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Cattle Market Update

For the Week Ending August 22, 2014

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Aug. 22/2014	Average	**$295.50**	**$275.25**	**$255.17**	**$237.67**	**$225.17**	**$213.00**	**N.A.**
Aug. 22/2014	Range	270-316	254-298	241-274	227-258	213-235	208-221	N.A.
Week/Week	Change	**N.A.**	-$14.08	**$2.67**	-$3.66	-$0.33	**$4.42**	**N.A.**
Aug. 15/2014	Average	**N.A.**	**$289.33**	**$252.50**	**$241.33**	**$225.50**	**$208.58**	**$199.17**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Aug. 22/2014	Average	**N.A.**	**N.A.**	**$226.75**	**$215.75**	**$207.00**	**$194.83**	
Aug. 22/2014	Range	N.A.	N.A.	216-248	209-232	193-217	181-210	
Week/Week	Change	**N.A.**	**N.A.**	**$3.08**	-$1.25	-$6.33	-$2.59	
Aug. 15/2014	Average	**N.A.**	**$243.00**	**$223.67**	**$217.00**	**$213.33**	**$197.42**	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficicent data.

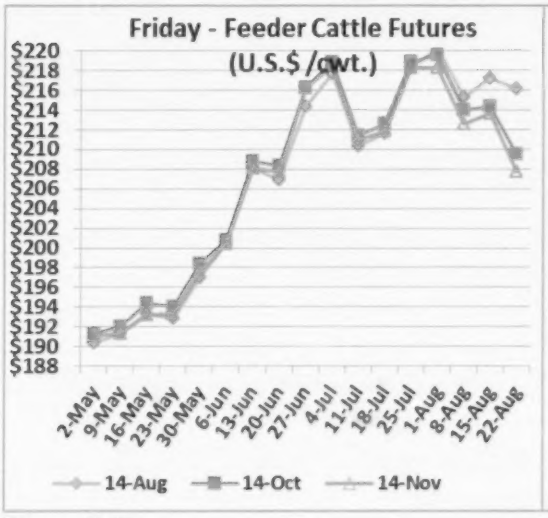
Canfax reported that a total of 3,615 head of cattle were sold in Saskatchewan this week, up from 3,395 head marketed the previous week.

Saskatchewan feeder steer prices were mixed over the week and ranged from $14.02 per cwt lower to $4.42 per cwt higher. The largest loss over the week was in the 400-500 lb. weight category which lost just over $14 per cwt, while the weight category with the biggest gains were the 800-900 lb. weight category which increased by over $4 per cwt. Lower volumes of cattle, particularly in the light weight category, likely caused some of the price extremes.

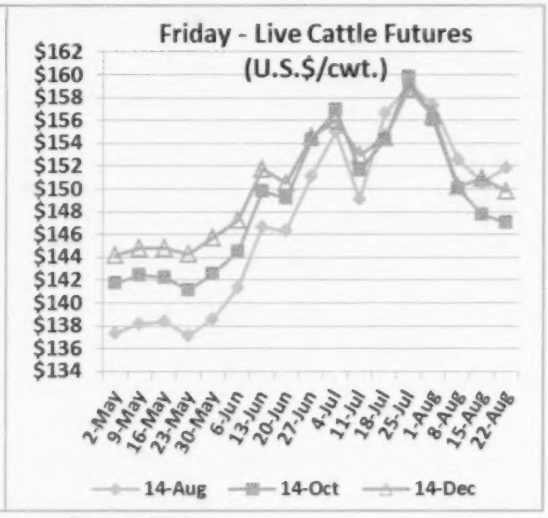
Feeder heifer prices were mostly lower over the week and ranged from $6.33 per cwt lower to $3.08 per cwt higher. All categories over 600 lb. had losses with the 700-800 lb. weight category having the largest loss over the week. The 500-600 lb. weight category had the only gain over the week increasing $3.08 per cwt.

The Saskatchewan 750 lb. feeder steer basis compared to the August 21, 2014 U.S. feeder cattle index at US$218.18 per cwt was calculated at -$13.62 per cwt (US$218.18/0.9137 - $225.17), a basis narrowing of $2.83 per cwt from the basis of $-16.45 per cwt on August 14, 2014.

Feeder cattle futures prices sold off over the week. The August to November 2014 contracts decreased between US$1.125 and US$5.875 per cwt. The November contract had the largest decline at US$5.875 per cwt and settled Friday at US$207.775 per cwt, while the October contract declined US$4.825 per cwt to settle Friday at US$209.475 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed over the week but higher on Friday minimizing some of the weekly losses. Live cattle futures prices ranged from US$1.125 per cwt higher to US$1.050 per cwt lower, week-over-week. The nearby August contract increased US$1.125 per cwt over the week to settle Friday at US$151.850 per cwt. The December contract declined US$1.050 per cwt over the week to settle Friday at US$149.850 per cwt.

Iowa cash corn prices edged higher over the week increasing 3 cents per bushel to end Friday at US$3.53 per bushel. The September corn futures contract was down less than a cent to settle Friday at US$3.65½ per bushel, while the December corn futures contract was down over 5 cents to settle Friday at $3.71½ per bushel.

Statistics Canada reported the July 1, 2014 cattle inventory numbers this week. Total cattle in Canada on July 1, 2014, was 13.330 million head, down 1.4 per cent from a year ago. Beef cow numbers totaled 3.922 million head, down 40,900 head or 1.0 per cent from July 2013. Replacement beef heifers totaled 616,200 head, down 3.5 per cent from a year ago. The numbers don't show any beef herd expansion in Canada to date. Demographics have likely been a stronger factor than profitability on reducing inventory numbers. Record cattle prices in 2014 should help cattle producers start considering expansion.

Total cattle on Saskatchewan farms as of July 1, 2014, was estimated at 2.845 million head, down 65,000 head or 2.2 per cent from July 1, 2013. Inventory of replacement beef heifers was 197,300 head, down 1.5 per cent, year-over year. Inventory of steers was 200,700 head, down 2.7 per cent; while inventory of calves was estimated at 1.050 million head, down 3.2 per cent, year-over year. The recent small decline in Saskatchewan cattle inventory numbers was more likely a reflection on shifts in land use and demographics, instead of industry profitability.

Fed and Non-fed Cattle

	August 22	August 15	Change over Week
Cows (Alberta)			
D1,2 Live	123.63	126.50	-2.87
D3 Live	110.90	111.90	-1.00
Rail	234-239	235-240	-1.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were lower again last week after many weeks of price increases and record highs. For the week D1,2 slaughter cows decreased $2.87 per cwt to average $123.63 per cwt, while the price of D3 slaughter cows decreased $1.00 per cwt to average $110.90 per cwt.

Fed cattle prices in Western Canada were also lower over the week. The price of fed steers in Alberta was reported to average $159.97 per cwt, down $4.37 per cwt from the price of $164.34 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$153.14 per cwt, down US$1.78 per cwt from US$154.92 per cwt the previous week, but up 23.0 per cent from US$124.55 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$241.86 per cwt, down US$1.79 per cwt from US$243.65 per cwt the previous week, but up 22.6 per cent from US$197.26 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) averaged US$251.96 per cwt, down US$5.39 per cwt or 2.1 per cent from the weekly average price of US$257.35 per cwt the previous week, but up 28.8 per cent from US$195.66 per cwt the same week a year ago. Beef production was 477.0 million lb., up 2.5 per cent from 465.5 million lb. the previous week, but down 5.9 per cent from 506.8 million lb. the same week a year ago.

The latest USDA beef cold storage numbers released on Friday showed that total beef in U.S. cold storage was 366.5 million lb. on July 31, 2014, up 2.3 per cent from 358.2 million lb. on June 30, 2014, but down 20.8 per cent from 462.6 million lb. on July 31, 2013.

On August 22, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for August 1, 2014.

August 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)			
	2013	2014	Per cent of previous year
On feed July 1	10,375,000	10,127,000	97.6
Placed during July	1,684,000	1,560,000	92.6
Marketed during July	1,970,000	1,787,000	90.7
Other disappearance during July	64,000	63,000	98.4
On feed August 1	10,025,000	9,837,000	98.1

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in July 2014 was 1.560 million head, down 7.4 per cent from 1.684 million head in July 2013, but up 7.2 per cent from 1.455 million head in June 2014. The number of fed cattle marketed in July 2014 was 1.787 million head, down 9.3 per cent from 1.970 million head in July 2013, and down 3.2 per cent from 1.847 million head marketed in June 2014. The July cattle placements were higher than the average trade estimates (90.9) and the cattle marketed in July were slightly above the average trade estimates (91.7). The cattle on feed for August 1, 2014 were estimated at 9.837 million head, 1.9 per cent below the August 2013 inventory numbers, and 2.9 per cent below the July 2014 numbers, but slightly above the average trade estimates (97.6). The cattle on feed report was overall close to the average trade estimates but likely viewed as mixed with August cattle on feed numbers lower than year ago numbers, but higher than average trade estimates.

Friday Price Information

Product		This Week (August 22)	Week of: (August 15)
Canadian Dollar (closing rate US$)		.9137	.9184
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		218.18	222.21
Seven-day Weighted Average FC Index Wt. (lb.)		768	757
Live Fed 5-area Steer Price (US$ per cwt)		153.14	154.92
Feed Grains			
Barley	Lethbridge ($/tonne)	175.00	175.00
	($ per bu.)	3.81	3.81
Corn	Iowa State Average (CDN$/tonne)*	152.09	150.03
	(US$ per bu.)	3.53	3.50
	Omaha, NE (CDN$/tonne)*	154.68	151.75
	(US$ per bu.)	3.59	3.54
Futures			
	Sept. Corn (US$ per bu.)	3.65½	3.65¾
	Dec. Corn (US$ per bu.)	3.71½	3.77
	August Live Cattle (US$ per cwt)	151.850	150.600
	October Live Cattle (US$ per cwt)	147.000	147.750
	August Feeder Cattle (US$ per cwt)	216.100	217.225
	October Feeder Cattle (US$ per cwt)	210.900	214.300

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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